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SUBJECT: CHILEAN DAILIES HYPE NUCLEAR AND CLEAN ENERGY AS BILATERAL
AGENDA ITEMS FOR NEW U.S. AMBASSADOR

¶1. (SBU) SUMMARY: Chile's most prominent dailies claim energy will be the top agenda item of the next U.S. Ambassador. "La Tercera" declared that the nomination of Paul Simons -- EB DAS for Energy, Sanctions, and Commodities -- represents a decision to elevate energy to a U.S. foreign policy priority in the region. "La Tercera" columnist Mario Vargas Llosa went so far as to claim that the new Ambassador "will come with the mission of persuading" Chile to invest in and develop nuclear energy. "El Mercurio" reported that the new Ambassador will be promoting clean energy for Chile, and its international columnist suggested Simons would advance cooperation on nuclear power if Chile decides to pursue that energy alternative.

¶2. (SBU) With no official White House announcement of a new Ambassador, Post has made no comment, public or private, about these stories. End Summary.

¶3. (U) Conservative daily "La Tercera" in an editorial and an article by correspondent Alvaro Vargas Llosa on August 5 asserted that the nomination is part of a policy initiative to raise the importance of energy issues in the hemisphere. Vargas Llosa stated that the new Ambassador would come with the mission of convincing the GOC that nuclear energy is a good, safe alternative for meeting Chile's energy shortage.

¶4. (U) Citing an unnamed State Department source, Vargas Llosa alluded to the recent U.S. nuclear pact with India, calling it a precedent for other U.S. allies to follow. An unnamed Treasury Department source reportedly claimed that there are political considerations in the White House decision, namely enticing Chile away from forming an energy alliance with Venezuela.

¶5. (SBU) The "La Tercera" assessment is based on so-called "signals." Much weight has been given to the July visit to Chile of U/S Nicholas Burns. In a media interview he expressed U.S. "willingness" to "actively cooperate" with Chile in the area of nuclear energy. (Comment: U/S Burns was responding to a question on whether the United States would support Chile in developing this alternative source. It is a journalistic stretch to suggest that this was subtle pressure or a U.S. signal. End Comment.)

¶6. (SBU) Nuclear energy would be a controversial priority under the current administration. President Bachelet, during her electoral campaign, signed an agreement with environmental groups not to develop nuclear plants during her term in office. Nevertheless, the President did agree to a feasibility study on its possible development in Chile. In an interview on August 10 with Vargas

Llosa, Foreign Minister Foxley said that his meeting with Secretary Rice did not cover nuclear energy. He added that there is no consensus on the topic in Chile and that nuclear power takes 10-15 years to develop.

¶7. (U) Chile's leading newspaper, "El Mercurio," on August 9 reported that Washington and Chile would cooperate in the "development of clean energy" in Chile, taking advantage of the U.S. experience with coal, wood, and cellulose waste. Foreign Minister Foxley stated that with Chile's abundant forests and wood resources cooperation with the United States is a logical decision. In its report on Foxley's statement, "El Mercurio" worked in the Simons appointment, noting energy would be one of his top priorities.

¶8. (U) On August 10, El Mercurio's international affairs columnist, Karen Ebensperger, noted that the appointment of Simons should bolster new U.S. political objectives in the Americas. Simons would help reestablish Washington's influence, which had been on decline in the region. Moreover, the promotion of biofuels would permit the United States to reduce its own dependence on oil and counterbalance Hugo Chavez's energy diplomacy.

¶9. (SBU) Comment: The Chilean media perceives that energy issues will be the top priority of the next U.S. Ambassador. There is the misconception, at least at "La Tercera," that promoting nuclear energy in Chile has zoomed to the top of the bilateral agenda. Simons is portrayed as a nuclear advocate out to convince the GOC to pursue that option. While we await the White House announcement, Post will, if asked, emphasize as a general theme that the new Ambassador will cover the full range of bilateral issues. End comment.

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